

15 June 2005



DEPARTMENT
OF
STATE

Iraq Weekly Status Report

UNCLASSIFIED



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Highlights

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1.0 Transition to Security Self-Reliance

- Operation Lighting is having a significant impact in curtailing the number of attacks on Iraqi and Coalition forces. Results to date show a 38 percent reduction in the number of vehicle-borne improvised explosive devices detonating and a 23 percent increase in the number of VBIEDs discovered before exploding.

2.0 Support a Free and Democratic Iraq

- On June 13, President Bush and Iraqi President Jalal Talabani discussed the drafting of a Iraqi constitution. They underscored the need to meet the August 15 deadline set out in the Transitional Administrative Law.

3.0 Provide Essential Services

- Electricity supply reached the weekly summer target of 12 average hours of power nationwide. Over 109,000 MWh was supplied, just under the target of 110,000 MWh.



Highlights

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4.0 Establish Foundation for a Strong Economy

- ï The Minister of Trade Abdí al-Bassit Kareem is confident the Public Distribution System (food ration) has enough wheat and rice supplies for the months of June and July.

5.0 Promote the Rule of Law

- ï According to BBC Radio, the Iraq Special Tribunal broadcasted a videotape of an interrogation of the former Iraqi President Saddam Hussein about killing dozens of men in a Shia village north of Baghdad after a failed assassination attempt in 1982.

6.0 Maintain International Engagement and Support

- ï A delegation of EU diplomats arrived in Iraq on June 9 for talks with the country's leaders about the reconstruction process. The delegation included diplomats from the EU, UK, and Luxembourg. They met with Iraq's Prime Minister, President, and Foreign Minister.

7.0 Promote Strategic Communications

- ï At the Regional Embassy Office-Hillah on June 9, Dr. Anthony Cordesman, a Middle East Expert and frequent analyst for various TV news outlets, provided a lecture on current and future Iraqi challenges to approximately 70 Iraqi officials.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

Iraqi Security Forces Update:

- ï The Iraqi Police Service graduated 122 police from advanced and specialty courses at the Adnan Training Facility June 9 as part of the Iraqi government's ongoing effort to train its security forces. The courses consist of Basic Criminal Investigations with 51 graduates, Critical Incident Management with 28 graduates, Violent Crimes Investigations with 29 graduates and Mid-Level Management, 14 graduates.
- ï Operation Lighting is having a significant impact in curtailing the number of attacks on Iraqi and Coalition forces. Coordinated jointly by the Iraqi Ministries of Defense and Interior, the operation began May 22 and is being conducted across Baghdad by seven Iraqi Army battalions, nine Special Police battalions, and five US brigades.
 - ñ Results to date show a 38 percent reduction in the number of vehicle-borne improvised explosive devices detonating and a 23 percent increase in the number of VBIEDs discovered before exploding. There has also been a 10 percent reduction in IED detonations and an 18 percent reduction in the number of coordinated or complex attacks against Iraqi and Coalition forces.
 - ñ The improvements are a result of coordinated efforts between Iraqi Security and Coalition forces, which included 61 raids and 251 cordon and search operations that led to the detainment of 992 suspected insurgents and the discovery of 45 weapons caches.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	60,675
HIGHWAY PATROL	
OTHER MOI FORCES	32,086
TOTAL	92,761*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	75,110
AIR FORCE	190
NAVY	520
TOTAL	75,820**

Total Trained & Equipped ISF:
168,581

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Constitution Update:

- ï On June 13, President Bush and Iraqi President Jalal Talabani discussed the drafting of a Iraqi constitution. They underscored the importance of the constitutional process and meeting the August 15 drafting deadline set out in the Transitional Administrative Law. They also talked about importance of being inclusive of all of Iraq's communities.
 - ñ President Bush also congratulated President Talabani and the Kurdish people on the formation of a unified regional government. He noted how this demonstrates the importance of reconciliation to the rest of Iraq.
- ï With the support of a USAID partner, nineteen women from nine political parties and representatives of the Independent Democratic Women Gathering identified several areas of common interest to build a multi-party women's coalition. They agreed that the constitution should guarantee equal access to natural resources, education, and citizenship rights.



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Capacity Building:

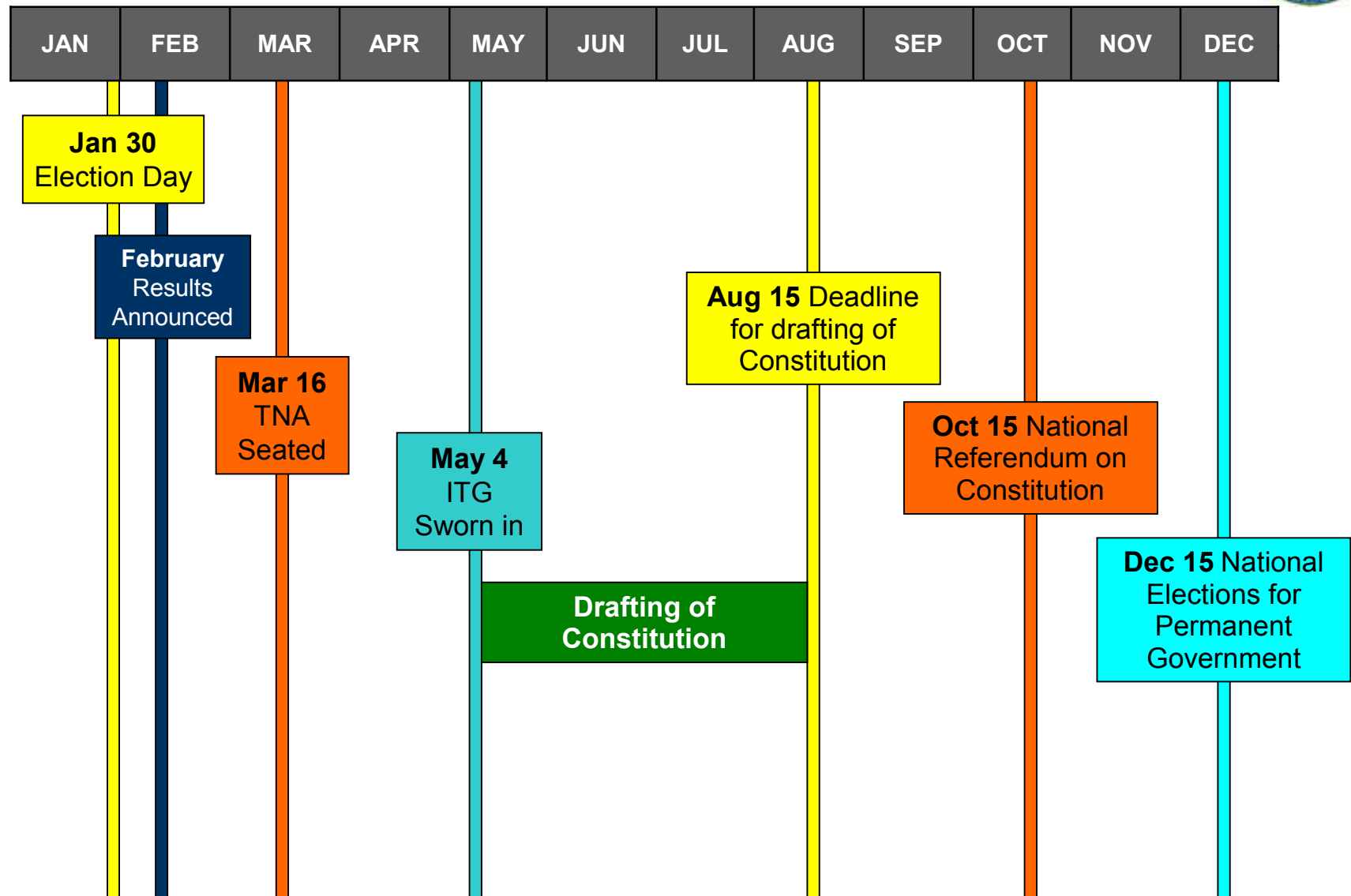
- ï A USAID partner supporting the Iraqi Transitional Government recently conducted a 10-day ìNGO Capacity Building Training Seminarî for civil society activists from Babil, Baghdad, Basrah, Karbala, and Najaf. In cooperation with the Iraqi Aid Committee, a UK-based non-governmental organization (NGO), USAIDís partner designed a training program to provide participants with a solid and comprehensive introduction to the knowledge-base and skills most needed by NGOs.

Continuing Transitional National Assembly (TNA) Responsibilities:

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.



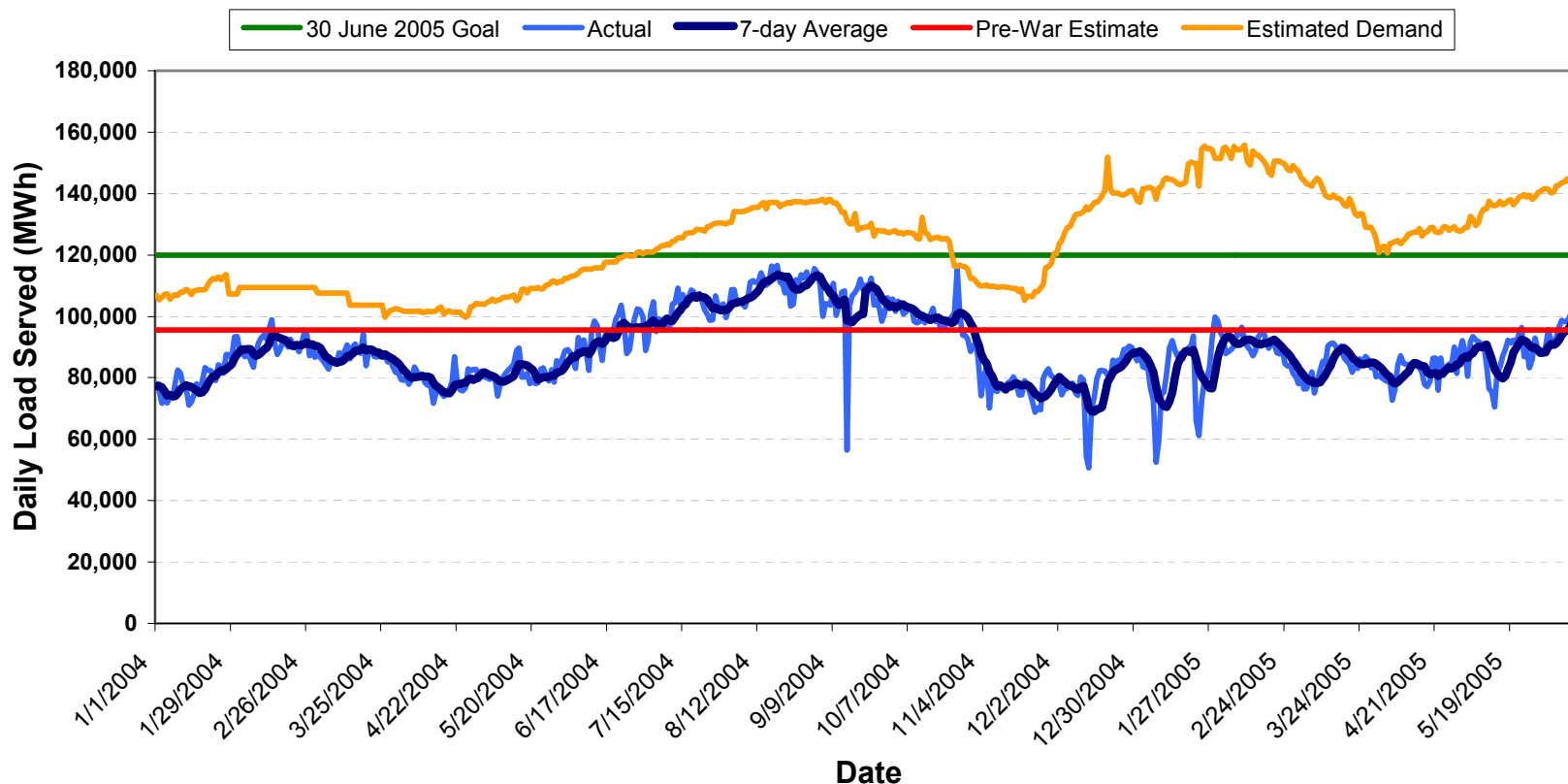
[2.0] Support a Free and Democratic Iraq ñ Electoral Process Timeline

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[3.0] Provide Essential Services ñ Electricity Overview

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- ï Electricity load served increased ten percent last week (June 7 - 13) to an average of 101,500 MWh ñ well above the estimated pre-war level of 95,600 MWh.
- ï Average hours of available power similarly increased significantly to 10.7 hours in both Baghdad and countrywide. Babil governorate, however, received approximately three hours per day.
- ï Iraq has resumed importing electricity from Syria; this will improve hours of power in Ninawa governorate.



[3.0] Provide Essential Services ñ Oil and Telecommunications

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Oil Update:

- ï Crude oil prices in world markets for the week ending June 10 closed with the following prices:
 - ñ Basra Light at \$44.99/barrel
 - ñ Kirkuk Crude at \$47.42/barrel
 - ñ Oman/Dubai at \$50.40/barrel
 - ñ WTI Cushing at \$53.72/barrel
 - ñ Dated Brent at \$51.64/barrel

Telecommunications:

- ï The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of June 1, there were 2,422,094 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers and no cellular network.



[3.0] Provide Essential Services ñ **Water and Sanitation**

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Water and Sanitation:

- ï PCO has 81 water treatment projects underway and has completed 33 to date. Under the Accelerated Iraq Reconstruction Program (AIRP), there are a further 12 water treatment projects under construction and 38 have been completed.
 - ñ Total water treatment capacity to be added from PCO projects is approximately 1.4 million cubic meters per day, which will benefit 2.5 million Iraqis.
- ï USAID is currently augmenting the sewage trunk lines serving Zafaraniyah, a district in southeastern Baghdad.
 - ñ Iraqi subcontractors are constructing manholes and laying pipe. Work is also being done to construct an important bridge across a large canal. The work is expected to be complete by December.



[3.0] Provide Essential Services ñ Health Care

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Health Care:

- ï Construction is underway on 143 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï Foundation construction is in its final stages at the site of the new Basrah Childrenís Hospital. Proposed as a 94-bed hospital, this \$50 million facility is designed to focus on providing inpatient and outpatient pediatric healthcare for the city of Basrah. The hospital is expected to be completed in September 2006.
- ï The Minister of Health is seeking to establish a national campaign to vaccinate children against polio in June and July. Polio has not been a concern in Iraq for several years; however, the potential of the virus importing from nearby countries with ongoing outbreaks, particularly in Sudan and Yemen, has initiated the support of the campaign. The Ministry has developed plans with the assistance from the USG, WHO, and UNICEF to support these activities.



[3.0] Provide Essential Services ñ Education

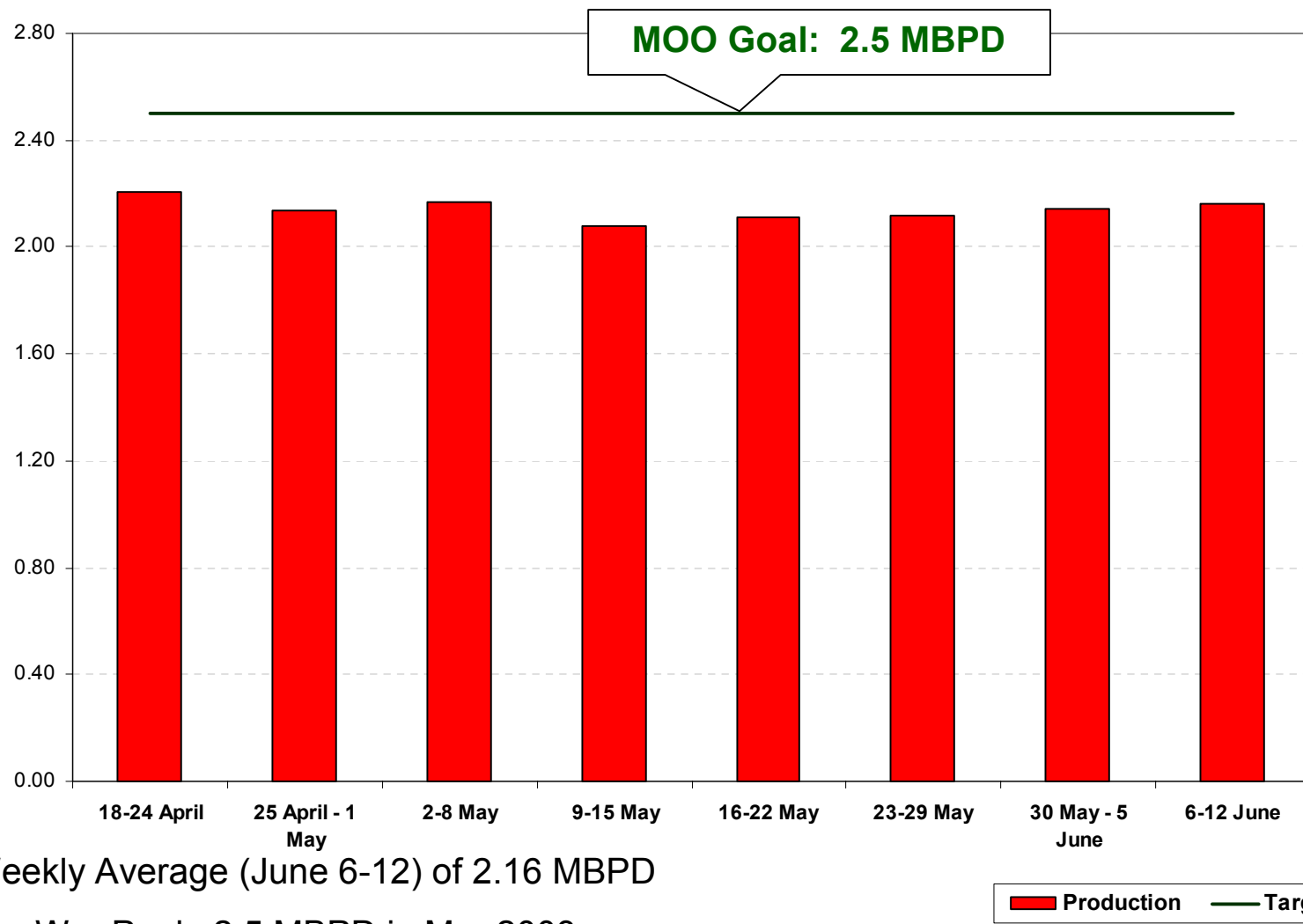
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Education:

- ï PCO has completed 604 schools renovations to date and a further 86 are under construction. Under the AIRP, an additional 24 school renovations have been completed and 16 are underway.
 - ñ 840 schools are scheduled for completion by mid-2005.
- ï A USAID partner is facilitating the distribution of 504,458 Secondary School Student Kits to students in 2,244 secondary schools in Iraq. As of May, the delivery of all 525,000 kits to Directorate of Education (DOE) warehouses had been completed. Iraqís Ministry of Education which will coordinate distribution of the remaining 20,542 kits.
 - ï In the past two years, USAID partners distributed more than 900,000 kits to primary school students and 1.5 million kits to secondary school students. USAID also supported UNICEFís distribution of 18,000 recreation kits to primary and secondary schools.

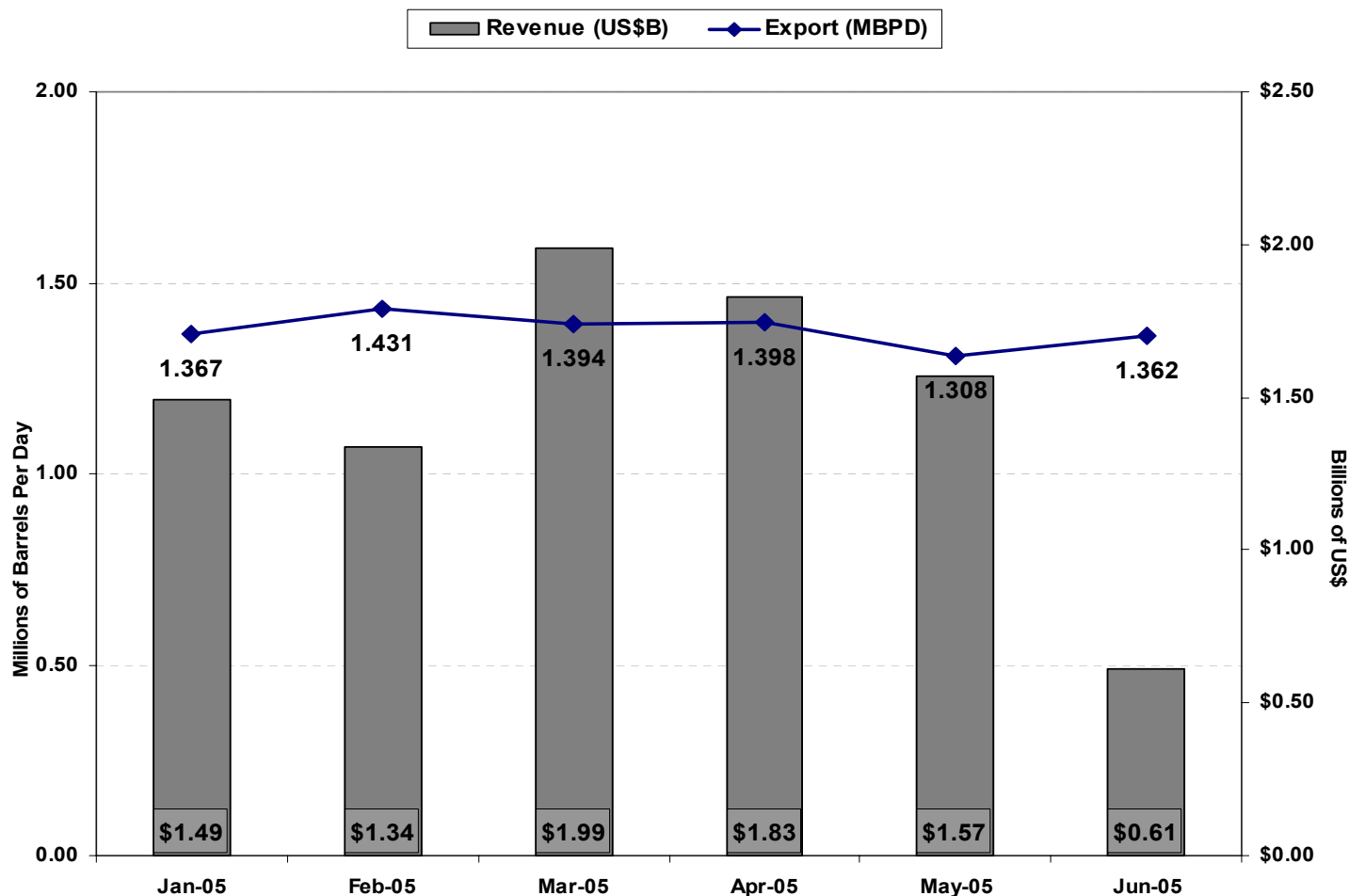


[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production





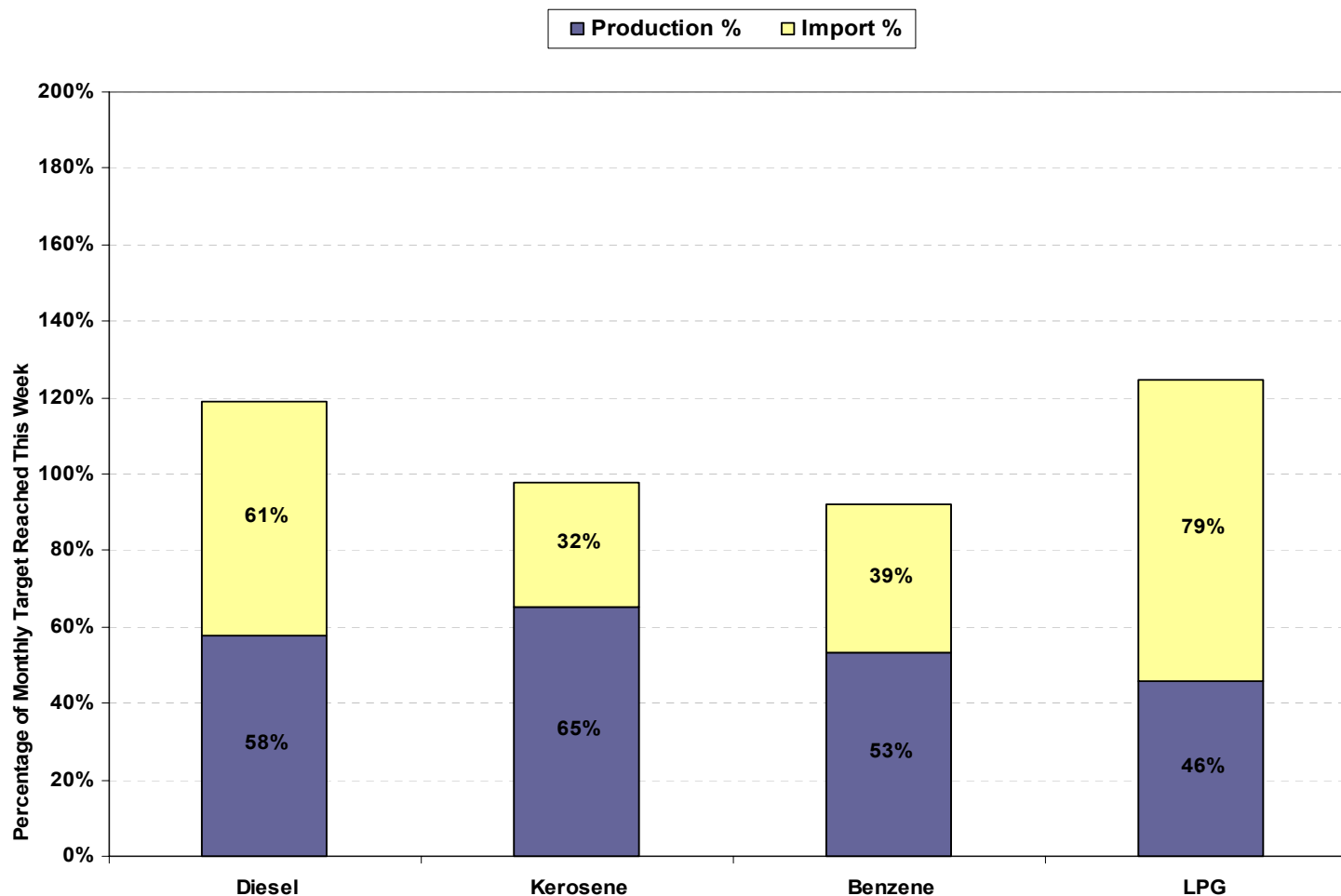
[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$9,051.8 M (cumulative for 2005)



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the average percentage of daily target reached for the week of June 6-12

ï Diesel: 21.4 ML of 18 ML

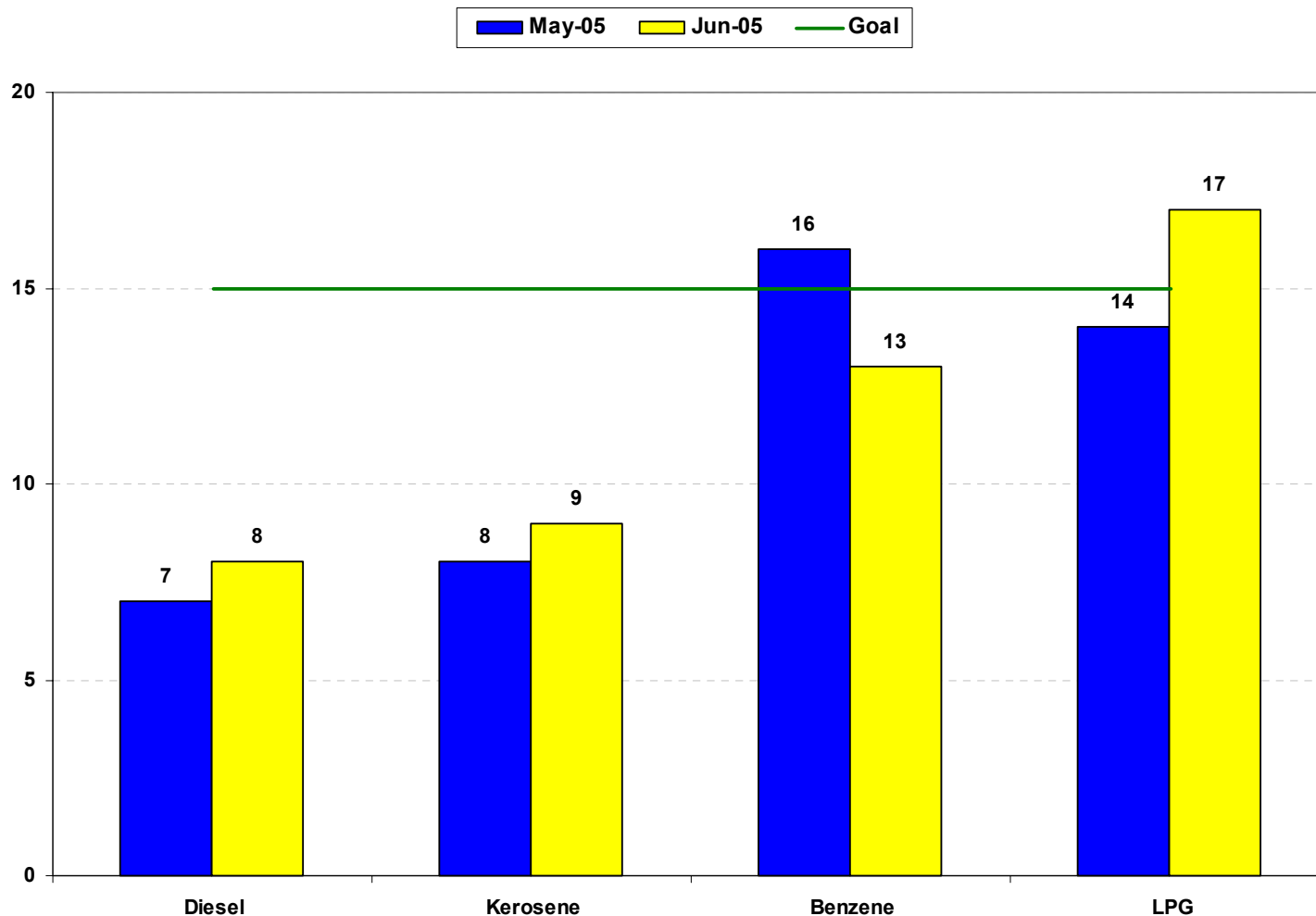
ï Benzene: 16.5 ML of 18 ML

ï Kerosene: 5.3 ML of 5.4 ML

ï LPG: 5,363 tons of 4,300 tons



[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundation for a Strong Economy ñ Job Creation

International Labor Conference in Geneva:

- ï The US Secretary of Labor met with the Iraqi Minister of Labor and Social Affairs on June 7 at the International Labor Conference in Geneva, Switzerland, to discuss increasing Iraq employment opportunities through training programs and strengthening Labor Ministry capabilities to serve Iraqi workers.
- ï The US Department of Labor has provided the Iraqi government technical assistance in developing Iraqís capacity to meet the needs of job-seeking Iraqi citizens. In July, the department's Bureau of Labor Statistics will train five Iraqi statisticians to measure employment and unemployment.

Employing Organization	Iraqis Last Week	Iraqis This Week	% Change on Week
PCO (Project and Contracting Office)	27,813	28,413	2.2%
USAID	66,380	55,421	-16.5%
AIRP (Accelerated Iraqi Reconstruction Program)	5,502	3,791	-31.1%
MILCON (Military Construction)	534	621	16.3%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	24,443	24,443	0.0%
IRRF NON-CONSTRUCTION	11,104	11,135	0.3%
GRAND TOTAL	159,482	147,530	-7.5%



[4.0] Establish Foundation for a Strong Economy ñ Agriculture

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Publication Helps Keep Farmers Informed:

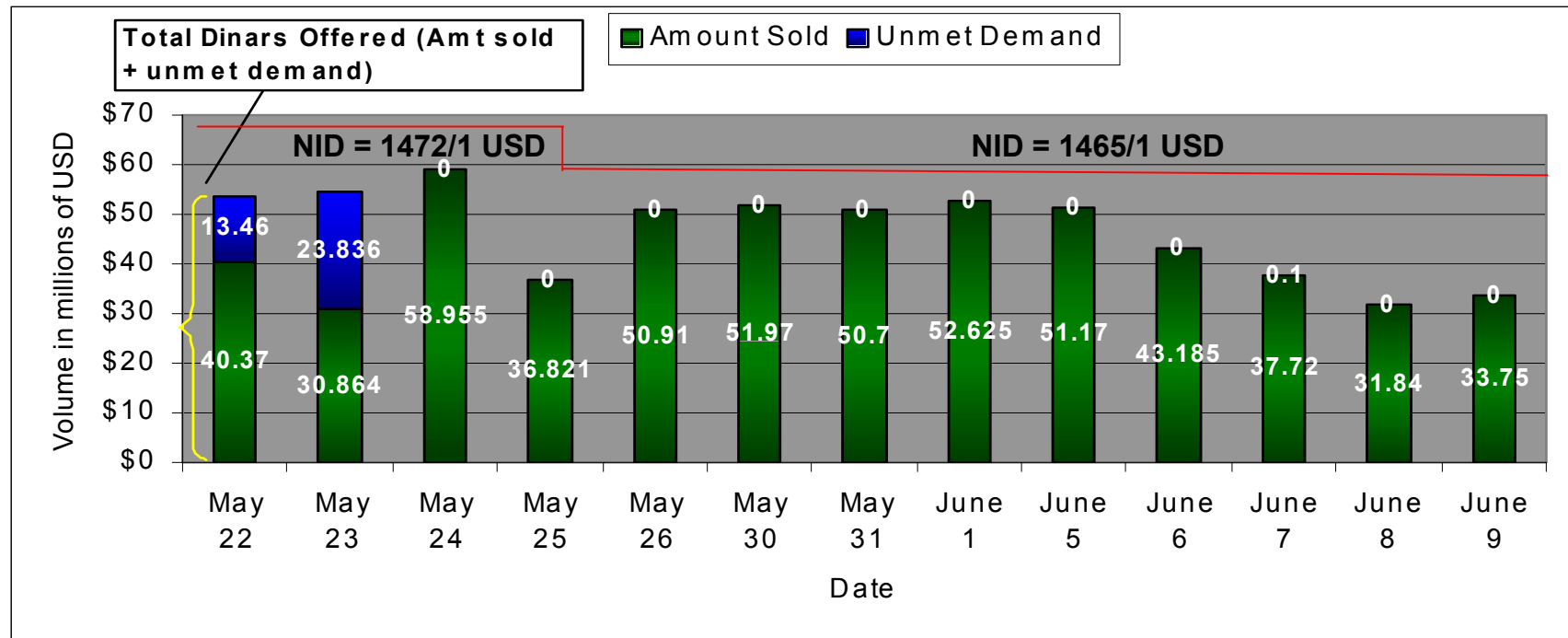
- ï The Minister of Trade Abdí al-Bassit Kareem is confident the Public Distribution System (food ration) has enough wheat and rice supplies for the months of June and July.
- ï Two media centers in northern Iraq are producing agricultural publications with funding from the Ministry of Agriculture (MOA) and USAIDís Agriculture Reconstruction and Development for Iraq (ARDI) program.
 - ñ The 100-page publication includes articles of interest to all stakeholders. For the farmer, one article details new suggestions for crop rotation, while another explains the benefits to farmers provided by the extension service. For traders and entrepreneurs, a piece describes the opportunity presented by truffles. MOA/ARDI will continue to enhance governmentís ability to produce high-quality media.



[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- i At the New Iraqi Dinar (NID) auction on June 13, the settlement price was 1,465 dinars per USD. Eighteen banks offered and sold a total of NID 72.3 billion (\$49.37 million). The following table shows the purchase volume for every NID auction from May 22 through June 9.



- i In three of the last 13 auctions, the Central Bank of Iraq did not meet total demand for US dollars. Banks are now required to disclose the purpose of foreign currency purchases.



[4.0] Establish Foundation for a Strong Economy

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Financial Management Information System (FMIS):

- ï USAID is implementing a new Financial Management Information System (FMIS) through the Economic Governance II Project (EGII). The new system will be capable of producing timely, accurate, flexible, and comprehensive financial reports that support transparent budget execution.
 - ñ 57 primary FMIS sites will be established in Ministries, spending agencies, and governorate treasuries by the end of June.
 - ñ FMIS orientation and computer skills training courses have been completed at 55 out of 57 sites while hardware has been installed at 44 out of 57 sites.

[4.0] Establish Foundation for a Strong Economy ñ IRRF I & II Financials



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\$Millions			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5,035.6	5,035.6	4,856.3	4,878.5	4,339.9	4,341.2	2,446.4	2,619.4
Electricity Sector	4,308.2	4,057.6	3,699.3	3,693.0	2,652.1	2,652.0	1,140.2	1,200.5
Oil Infrastructure	1,723.0	1,723.0	1,646.8	1,646.7	1,101.6	1,101.6	319.5	325.0
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,065.0	1,067.9	897.4	897.7	309.8	333.4
Democracy	905.4	905.3	869.0	883.0	853.0	852.0	428.3	440.9
Education, Refugees, Human Rights, Governance	363.0	363.0	301.2	305.6	282.3	284.6	99.3	103.0
Roads, Bridges and Construction	355.2	355.2	329.0	328.2	194.5	193.7	97.4	98.2
Health Care	786.0	786.0	742.4	741.8	568.8	570.2	114.9	122.3
Transportation and Communications	509.0	508.5	479.7	479.8	379.0	379.1	87.4	102.6
Water Resources and Sanitation	2,156.7	1,829.2	1,757.6	1,753.6	1,234.8	1,231.5	175.5	199.1
Private Sector Development	860.3	840.3	827.5	829.4	816.1	817.4	457.1	457.2
Admin Expense (USAID, STATE)	213.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
TOTAL	18,439.5	17,656.9	16,602.8	16,636.5	13,348.5	13,350.0	5,704.7	6,030.5
IRRF 2 Construction		10,837.2	9,889.7	9,878.4	7,355.3	7,350.1	2,597.0	2,711.8
IRRF 2 Non-Construction		5,914.4	5,844.0	5,875.2	5,140.2	5,148.0	2,679.4	2,877.8
IRRF 2 Democracy		905.3	869.0	883.0	853.0	852.0	428.3	440.9
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,150.0	2,150.0
Grand Total IRRF 1 & 2	20,912.8	20,130.2	19,076.1	19,109.8	15,821.8	15,823.3	7,854.7	8,180.5



[5.0] Promote the Rule of Law ñ Iraqi Judicial System

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Iraqi Tribunal Questions Saddam on 1982 Killings:

- ï According to BBC Radio, the Iraq Special Tribunal broadcasted a videotape of an interrogation of the former Iraqi President Saddam Hussein about killing dozens of men in a Shia village north of Baghdad after a failed assassination attempt in 1982. The film was released without sound and is believed to be the first time Hussein has been in front of the court since his appearance last July. The complete list of charges has not been finalized by the court.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

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International Support:

- ï In a joint statement on June 2, the US, the European Union (EU) and Iraq laid out the purpose of the upcoming International Conference on Iraq to be held in Brussels, Belgium June 21-22. The Iraqi delegation will articulate their "vision and priorities" for the transition period leading up to the next round of elections. Delegations from the more than 80 other nations and international organizations will respond "by presenting their views on the future of Iraq and enunciating their expectations about the country's forward progress towards good governance, a reform agenda and inclusiveness in the political process."
- ï On June 13, the EU pledged to create a delegation office in Baghdad within months. The move was intended as a demonstration of support to the Iraqi Transitional Government and to boost international support for reconstruction efforts.
- ï A delegation of EU diplomats arrived in Iraq on June 9 for talks with the country's leaders about the reconstruction process. The delegation included diplomats from the EU, UK, and Luxembourg. They met with Iraq's Prime Minister, President, and Foreign Minister.
- ï On June 7, Macedonia's Parliament overwhelmingly approved a new rotation of 33 special operations soldiers through December. This is the fifth six-month rotation of Macedonian troops.



[6.0] Maintain Int'l Engagement & Support ñ **Stability Contributors**

27 MNF-I Contributors (in addition to US)

Albania	Denmark	Korea	Poland
Armenia	El Salvador	Latvia	Portugal
Australia	Estonia	Lithuania	Romania
Azerbaijan	Georgia	Macedonia	Slovakia
Bosnia/Herz	Italy	Moldova	Ukraine
Bulgaria	Japan	Mongolia	UK
Czech Rep	Kazakhstan	Norway	

*Note: Bosnia-Herzegovina
now contributing forces

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a
part of the UN mission in Iraq.

28 Countries and NATO
(including US)
Support Iraqi Stability Operations



[7.0] Promote Strategic Communications ñ **Developments**

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Strategic Communications:

- ï Prior to its daily 6pm broadcast, state-owned al-Iraqiya TV broadcasts an appeal urging Iraqis to inform on insurgents. The appeal shows a woman spotting men carrying weapons under a blanket. She is then shown rushing inside with her child and making a telephone call. The subsequent bulletin is led by Iraqi government spokesman Laith Kubba saying that the latest crackdown on the insurgency, Operation Lightning, has been a success so far.
- ï At the Regional Embassy Office-Hillah on June 9, Dr. Anthony Cordesman, a Middle East expert and frequent analyst for various TV news outlets, provided a lecture on current and future Iraqi challenges to approximately 70 Iraqi officials. The event brought together representatives from all five South-Central provinces, to include Iraqi political, military and police leaders, clerics, academics, and journalists. The primary themes of Dr. Cordesman's remarks were on the intentions of Iraq's neighbors and US domestic views of post-liberation Iraq.



Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ñNotes Pageñ section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov